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CHAMPVA POLICY MANUAL

CHAPTER: 3
SECTION: 6.4

TITLE: CITI (CHAMPVA INHOUSE TREATMENT INITIATIVE)

REIMBURSEMENT

AUTHORITY: 38 CFR 17.272(a) and 17.274

RELATED AUTHORITY: 42 USC 1395f(c)

I. DESCRIPTION

A. CITI (CHAMPVA Inhouse Treatment Initiative). CITI is a voluntary program that allows treatment of CHAMPVA beneficiaries at VA (Veterans Affairs) medical centers that have elected to participate in the CITI program.

II. POLICY

- A. CITI (CHAMPVA Inhouse Treatment Initiative).
 - 1. Services are limited to covered medical conditions.
 - 2. The CHAMPVA beneficiary cost share and deductible are waived.
- 3. Preauthorization requirements are waived for items/services performed or furnished in participating VA CITI medical centers with the exception of the following:
 - a. Organ and bone marrow transplantation.
 - b. Dental service.
 - c. Hospice services.
- 4. Reimbursement to the CITI medical centers is made by CHAMPVA on a monthly basis through the TDA (transfer of disbursing authority) process.
 - 5. CHAMPVA reimbursement for CITI services is as follows:
- a. Pharmacy Reimbursement is the lesser of the VA cost for the drug, plus a \$5.00 dispensing fee for each line item listed on the claim or the average wholesale price (AWP) (average wholesale price) as reflected in the <u>Drug Topic Red</u> Book, plus a \$3.00 dispensing fee or the negotiated price.

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- b. DME (Durable medical equipment) Reimbursement is the actual VA cost plus a 10% processing fee (not to exceed \$200). Preauthorization is not required for DME provided by the CITI medical center.
- c. Inpatient Services Are reimbursed at 100% of the CHAMPVA allowable amount. This full payment compensates for professional fees.
- d. Inpatient Professional fees Reimbursement is included in the CHAMPVA allowable for inpatient services.
- e. Inpatient Psychiatric and Substance Abuse Services Reimbursement is 100% of the CHAMPVA allowable amount, which is the lesser of the billed charges or the mental health per diem rate.
- f. Inpatient Skilled Nursing Home Services Reimbursement is 100% of the standard VA third party billing rate.
- g. Hospice Reimbursement is 100% of the allowable, which is the lesser of the billed charges or the Medicare rates.
- h. Ambulatory Surgery Facility Fee Reimbursement is 75% of the allowable, which is the lesser of the billed amount or the ambulatory surgery group rate.
- i. Outpatient Services Reimbursement is 75% of the allowable, which is the lesser of CMAC (CHAMPVA maximum allowable charge), the prevailing charge, or billed charge.
- j. Medical Requisites (Supplies) Reimbursement is the actual VA cost.
- k. Dental Reimbursement is 75% of the CHAMPVA allowable, which is the lesser of the billed charge or the CMAC (Benefits are extremely limited and preauthorization is required).
- 6. Medicaid eligible beneficiaries may participate in the CITI program. Whenever a CHAMPVA beneficiary is also eligible for Medicaid, CHAMPVA becomes the primary payer (see Chapter 3, Section 4.1, OHI (Other Health Insurance)).

III. POLICY CONSIDERTIONS

A. Existence of OHI (Other Health Insurance). Prior to payment of any claim for services or supplies rendered to a CHAMPVA beneficiary, the CITI medical centers must determine whether OHI coverage exists under any OHI plan. Benefits cannot be paid to the CITI medical center until the claim has been filed with the OHI and a payment determination issued EOB (explanation of benefits) by the other insurer (See Exclusions for Medicare and HMO/PPO coverage).

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- B. Waiver of Benefits. Beneficiaries do not have the option of waiving benefits of another insurance plan or health plan in order to place CHAMPVA as the primary payer.
- 1. If the OHI denies payment because of medical necessity or because the beneficiary obtains medical supplies or services outside their insurance carrier providers, that is, PPO (Preferred Provider Organization), or HMO (Health Maintenance Organization), CHAMPVA will also deny payment on the claim.
- 2. The beneficiary may appeal the disputed issue to their OHI (not CHAMPVA). If the OHI reverses their original decision and pays, CHAMPVA will then process the claim as secondary payer providing the service is a covered benefit.
- 3. If an HMO or PPO enrollee seeks covered services that are not available from the HMO or PPO, CHAMPVA will assume primary payer responsibility providing the HMO or PPO documentation describing the plan's coverage limitation is included with the claim and the treatment is a CHAMPVA covered service.

IV. EXCLUSIONS

- A. Medicare eligible beneficiaries cannot be treated in CITI facilities [42 USC 1395f(c)]
- B. Beneficiaries who are enrolled in a PPO or HMO, unless the PPO or HMO includes the CITI medical center within their provider network.

END OF POLICY